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POLICY

WASHINGTON, D.C. 20301

In reply refer to:
I-07769/81

13 MAY 1981

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MEMORANDUM FOR THE RECORD

SUBJECT: Greek Ambassador John Tzounis call on DepSecDef Carlucci,
11 May, 1400-1430, at the Pentagon (U)

(U) Greek Ambassador Tzounis, at his request, met with DepSecDef Carlucci, Deputy Director, Europe and NATO Affairs Bader, MilAsst to DepSecDef, Admiral Howe and ISP Country Director for Greece Alberts on 11 May from 1400-1430.

(C) Tzounis stressed the need to conclude the DECA before the summer recess of the Greek parliament, which would have to ratify the DECA. He doubted that parliament would be reconvened after the recess, except to dissolve it before elections in October or November. From the Greek government point of view, the whole issue was simple: the GOG needed an "unimpeachable agreement" so that the government could not be accused of being "lackeys of the Americans," an expected Papandreou election theme. It was essential to convince the people of Greece that it was a good agreement.

(C) DepSecDef Carlucci posed the theoretical question of Papandreou's success and the effect his election would have. Tzounis said that, in his opinion, Papandreou would "electioneer" against the DECA, but he would be happy to live with it. At most, Papandreou would ask for a plebiscite, but President Karamanlis would not give him a plebiscite. Therefore, it would be best for all concerned to have the DECA now. Tzounis said he did not think Papandreou could win, but even if he did, he would only have a plurality, not a majority, and under those conditions, Papandreou could not abrogate the DECA.

(C) In response to Ambassador Tzounis, Mr. Bader discussed Secretary Haig's proposal on the Kissinger-Carter letters, the legal constraints to exceeding the "balance" formula in the FAA, and Congressional problems with our FMS request. Tzounis stated that the GOG accepted a balance formula consistent with US law and stressed that the terms under which assistance was granted was

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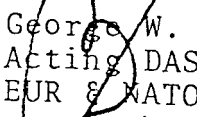
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very important to Greece since Greece shared the prospect of unmanageable debt burden with Turkey. DepSecDef Carlucci stressed that both Greece and Turkey were very important to the USG.

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cc:
DepSecDef Carlucci
Mr. Perle
Mr. Rixse

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